

Housing Privatization Frequently Asked Questions (FAQs)

1. Question: Why is the Air Force privatizing housing?

Answer: Military families deserve "safe, quality, affordable, well-maintained housing". Recognizing this, DOD has set a goal of upgrading all inadequate housing by 2010. Unfortunately, traditional housing military construction (MILCON) programs for bringing housing up to current standards is not funded sufficiently to meet the goal. In 1996, the Defense Authorization Act authorized the use of private capital to revitalize housing and the Military Housing Privatization Initiative (MHPI) was born. Bottom line is that privatization is the best, if not only, way to develop quality housing within a reasonable timeframe.

2. Question: Will I have to pay utilities?

Answer: Occupants will be required to pay gas and electricity bills on a per month basis. Water and sewer will be provided by the developer. A "utility allowance" will be calculated by the developer based on 110% of the estimated utility cost for each unit type. The utility allowance will be recalculated annually and be based on historic usage for each unit type. This allowance will be subtracted from your BAH to establish your monthly rent. Once meters are installed in each unit, you will be billed directly by the respective utility provider for the amount actually consumed. Exactly when the meters are installed will depend on the developer. How utilities are paid until then will also be up to the developer. One way it may work is that the developer will simply charge the occupant the entire BAH to cover rent and utilities.

3. Question: What will be my "out of pocket" expenses once privatization is initiated?

Answer: A major goal in developing the Request for Proposal for Housing Privatization was to minimize potential out of pocket expenses for military members as much as possible. However, the main item that may require some additional out of pocket expense is utilities. The "utilities allowance" is calculated as 110% of the estimated utility cost (gas and electricity only) for each unit type (see Response to Question 2). Once meters are installed, utilities cost will be based on how much is actually consumed. If the cost for the amount consumed exceeds the allowance, out of pocket expenses will be incurred. On the flip side, if the cost of the amount consumed is below the allowance, the money left over is "into pocket."

4. Question: I'm already living in base housing. Will I have to move out of my current unit once privatization is initiated?

Answer: Of the 2,570 housing units being conveyed to the developer, approximately 2,200 (or 85%) will require demolition or a level of construction that will require units to be vacant. As such, the majority of occupants should expect to move to accommodate the construction schedule. An actual schedule of construction activities for each particular unit/increment will not be determined until after the developer is selected.

5. Question: If I have to move to a different school district, will my children have to change schools?

Answer: This issue has been discussed with Bellevue Public Schools and they have stated that students will be allowed but not required to change schools due to moves resulting from housing privatization.

6. Question: If I live in a real "drafty" house, will I get more BAH to compensate for my increased utility expense?

Answer: No. BAH is limited by law. However, one of the reasons utility allowance (see Question 2) is calculated as 110% of expected utilities cost is to allow for differences in energy efficiency from unit to unit. Over the years, several projects have been completed within the housing areas to improve energy efficiency. These include window replacements, installation of exterior siding, increased insulation, etc. These efforts will continue through the privatization effort. Improving energy efficiency within existing units is listed as one of the major requirements for developers. Aside from these planned improvements,

housing occupants should also realize that they may need to become more active in operating their heating/cooling system to further increase efficiencies and minimize costs.

7. Questions: Will I have to start paying utility bills before my unit is renovated?

Answer: No. At one point, it was the plan to require utility meters to be installed within 12 months of housing privatization being initiated. However, this requirement has changed as follows: "Utility meters will be installed on a unit within 12 months of award, upon completion of new construction, or upon completion of renovation, whichever is later."

8. Question: How will the housing referral process change once privatization begins?

Answer: The referral process will still be managed by the Air Force so no significant changes to the current process are expected.

9. Question: Is it true that members of the general public will be allowed to live on base?

Answer: Individuals other than referred military members will be offered housing only if occupancy rates fall below 95% for three consecutive months. Any lease to a non-referred occupant will be limited to one year and the rent will be based on market conditions (i.e., not BAH). Also, the Developer will be allowed to rent only enough units to non-referred members to bring the occupancy rate back up to 95%. When making units available to other than referred military, the developer is required to use the following "hierarchy":

1. Other Active Duty Military Members
2. Federal Civil Service Employees
3. Retired Military Members/Families
4. Active Duty Guard and Reserve Military Members/Families
5. Retired Federal Civil Service
6. DOD Contractor/Permanent Employees (US Citizens)
7. General Public

10. Question: I have heard that because the general public will be allowed in base housing, it will begin to resemble low income housing areas?

Answer: The chances of the general public even being offered housing is extremely low. And even if they are, they will be charged the fair market rate for each unit type, not the BAH amount established for the unit. Renters of these units will be expected to maintain the same standards as referred military members.

11. Question: How will the base maintain security?

Answer: Security and Force Protection will still be the responsibility of the Air Force. However, the developer will be required to implement several security features to increase public safety and reduce fear of crime. This includes constructing a perimeter fence to create a gated community with controlled access, constructing additional gate houses, and other security features.

12. Question: What if the lights go out or I have another maintenance problem?

Answer: The developer will be responsible for performing all housing maintenance activities at a performance level similar to that of the current housing maintenance contractor.

13. Question: When do I have to activate my BAH?

Answer: Activation of BAH will require members to complete Air Force Form 594. It is expected that this will be required sometime in early to mid 2003 but it will depend on what the selected developer's transition schedule and initial plan for charging for utilities. More information will be forthcoming.

14. Question: How can I find out if my existing housing unit will be demolished?

Answer: The Air Force has identified 838 existing housing units that the developer is required to demolish. These include all 355 remaining Wherry units and 483 Capehart units. However, it is important to note that other units may be added to the demolition list depending on what the selected developer proposes. If you want to find out if a particular unit is on the "required" list, a map and corresponding list of addresses is posted on the ".mil" or "intranet" web site. Or you can contact Mr. Chris Wolf at 294-1149.

15. Question: Is Offutt AFB the only base going through this Privatization?

Answer: No. This is a DOD wide effort. Almost every DOD installation that meets the following criteria will undergo privatization:

- 1) **Severability** - housing can be physically separated from the base (like Capehart) or could be accessed directly from a public road (like Wherry/Coffman Heights)
- 2) **Economic Feasibility** - revitalization is economical when compared to current funding methods and life cycle costs for Government ownership

Even if you are a current housing occupant that may not be impacted by the Offutt privatization effort (due to PCS), you will most likely see the same thing occurring at other bases. This is one of the main reasons it is important for military families to become educated on housing privatization regardless of how long they might remain at Offutt.

16. Question: If I am forced to move so my unit can be renovated, will I have to move into a unit that has not been renovated?

Answer: While we would like to say that this is not a possibility, the decision will be up to the Developer and how they plan their work. On the surface, it would not make economic sense for the developer to move someone into a unit only to have to move that someone again (the first move will be at government expense while any subsequent forced moves are at the developer's expense).

17. Question: After the units are privatized, how will they be inspected and to what detail when I move out?

Answer: Vacate inspection procedures will most likely be specified in the lease between the developer and occupant (much like it is done downtown). Details will not be available until the developer is identified.